

AN ORDINANCE 2006-03-23-0386

AUTHORIZING THE PURCHASE OF AIRCRAFT HULL AND LIABILITY INSURANCE ON CITY OWNED HELICOPTERS OPERATED BY THE SAN ANTONIO POLICE DEPARTMENT, WITH ACE PROPERTY AND CASUALTY INSURANCE COMPANY, THROUGH MCGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC., THE CITY'S BROKER OF RECORD, FOR A ONE YEAR PERIOD BEGINNING MARCH 31, 2006 FOR AN ANNUAL PREMIUM NOT TO EXCEED \$209,403.00, FROM THE LIABILITY SELF-INSURANCE FUND.

WHEREAS, it is necessary to provide liability and property insurance coverage for helicopters operated by the San Antonio Police Department ("SAPD") to provide protection from liability exposure arising from the operation of the helicopters and insure against physical damage exposure; and

WHEREAS, McGriff, Seibels & Williams of Texas, Inc. ("McGriff"), the City of San Antonio's ("City") broker of record, evaluated the proposals received pursuant to a Request for Quotes soliciting aircraft hull and liability insurance; and

WHEREAS, the proposal from Ace Property and Casualty Insurance Company was responsive to the City's needs and provides the best overall coverage; and

WHEREAS, SAPD currently operates three helicopters, having lost two due to accidents, and plans to acquire two additional replacement helicopters during this policy period; and

WHEREAS, the proposed policy provides property damage coverage and liability coverage from the operation of three of the helicopters, with the ability to extend the coverage to two additional helicopters when they are added for a pro-rata additional premium; and

WHEREAS, the proposed policy provides additional coverages, such as cargo legal liability, coverage for spare parts and extra expense coverage, and coverage for the Forward Looking Infra Red System ("FLIRS"); and

WHEREAS, the policy provides liability coverage resulting in third party bodily injury or property damage with a single limit of \$10,000,00.00 per occurrence, with a sublimit of \$5,000.00 per person, per seat in each aircraft for medical payments to passengers and crew members, and a sublimit of \$250,000.00 for the "FLIR" Equipment, with a \$5,000.00 per occurrence deductible; and

WHEREAS, for each loss occurrence other than FLIR equipment, the deductible is \$500.00 if the rotors are not in motion, or in flight, and 5% of the aircraft's insured value if the rotors are in motion or in flight; and

WHEREAS, the annual premium for the three existing helicopters is \$164,430.00, and up to \$44,973.00 for the additional two helicopters, depending upon when acquired, for a total maximum premium of \$209,403.00; and

WHEREAS, the City's Broker of Record, McGriff, Seibels & Williams of Texas, Inc., recommends placing the aircraft hull and liability insurance coverage with Ace Property And Casualty Insurance Company; and

WHEREAS, it is necessary to authorize the purchase of the policy through the City's Broker of Record, for a one year period beginning March 31, 2006; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager, or her designee, is hereby authorized to purchase aircraft hull and liability insurance with Ace Property and Casualty Insurance Company, through the City's broker of record, McGriff, Seibels & Williams of Texas, Inc., for a one-year period beginning March 31, 2006 at an annual premium of \$164,430.00 for three helicopters, with an additional premium of \$44,973.00 for the two additional helicopters, if and when acquired, for a total maximum premium of \$209,403.00. The City Manager, or her designee, is hereby authorized to execute any documents necessary and incidental to the purchase of the insurance authorized herein.

SECTION 2. The amount of \$209,403.00 is authorized to be encumbered in Fund 75-001000, Insurance Reserve Fund, in GL 5402600, entitled Insurance Premium-Excess Liability, Cost Center 1009020001, and is authorized to be made payable to McGriff, Seibels & Williams of Texas, Inc., for aircraft liability coverage beginning March 31, 2006.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Acting Director of Finance, City of San Antonio. The Acting Director, may subject to concurrence by the City Manager, or her designee, correct allocations to specific Cost Centers and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance shall take effect immediately, upon passage by eight affirmative votes; otherwise, it shall take effect on March 31, 2006.

PASSED AND APPROVED this 23rd day of March, 2006.

ATTEST:



City Clerk



M A Y O R

PHIL HARDBERGER

APPROVED AS TO FORM:


for City Attorney